



TENNESSEE REAL ESTATE News-Journal

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Situations to Avoid During License Renewal

All affiliate broker licenses, broker licenses, principal broker licenses, and firm licenses expire December 31, 2004 and all requirements for renewing these licenses must be completed on or before November 1, 2004. Over the years, the Commission has noted some simple mistakes have made the renewal process difficult and cumbersome and have delayed the issuing of renewed licenses. Listed below are several of the more common mistakes which cause these delays.

COMBINING MORE THAN ONE RENEWAL APPLICATION AND FEE IN ONE ENVELOPE: The automated process for collecting the fees and initiating the renewal process was designed to scan one renewal application then one check in order to properly credit the money to a licensee's file. Multiple applications and multiple checks in one envelope or multiple applications and one check to cover all applications in one envelope can cause delays and significantly slow the license renewal process. Renewal applications are mailed individually to each licensee along with a return envelope to be used

Commission Approves Distance Learning Format for TREC CORE 03/04 Course

The Tennessee Real Estate Commission at its February 2004 meeting voted to add distance learning formats to the previously approved classroom only presentation for the TREC CORE 03/04 Course. The distance learning formats currently approved for other continuing education courses include Paper and Pencil Courses (correspondence), Disk Based and Internet presentations. The list of schools offering the TREC CORE 03/04 Course are listed on page 5 of this edition of the News-Journal. An asterisk preceding the school's name indicates both classroom and distance learning courses are available.

TREC to Provide CE Seminars Across the State in May and June

The Tennessee Real Estate Commission along with Rice Insurance Services Company, LLC will provide continuing education seminars at eleven sites across the state in May and June of 2004. The sites, dates, and times of the seminars are listed on page 6 of this News-Journal.

In This Issue:

Disciplinary Action	P. 3
CORE COURSE Providers	P. 5
Frequently Asked Questions	P. 5
Candidates for Broker Licenses	P. 6
TREC Seminar Schedule	P. 7
Updated Commissioner Contact Information	P. 8

Topics to be discussed include Commission updates concerning licensure, education and discipline and risk management. There will be ample time for questions from attendees.

The seminar will provide 2 hours of TREC approved Continuing Education for all individuals who attend 100% of the seminar. To receive this credit the licensee must provide his/her license number on the date of the seminar attended. Reservations are not required.

ERRATUM

In the Winter 2004 edition of the TREC News-Journal, Commissioner Bob Clement was incorrectly named as Frank Clement under the picture which appeared on the front page. This error is sincerely regretted by the TREC editorial staff.

Continued from page 1

by that licensee. That envelope is addressed so that it will be delivered to the site where the first step of the renewal process begins. Renewal applications sent to other addresses will result in processing delay.

COMBINING RENEWAL APPLICATION WITH ANOTHER APPLICATION(S) IN THE SAME ENVELOPE: The renewal process is separate from the other licensing processes (such as name changes, transfers, change of firm address, etc.) and different applications should be sent to TREC under separate cover. Combining a non-renewal application and non-renewal payment in the same envelope with the renewal application and its fee will result in the delay of both processes.

INCOMPLETE OR INACCURATE RENEWAL APPLICATION/FEE: Unsigned renewal applications, unsigned checks, checks written for the incorrect amount and checks without renewal applications or renewal applications without checks will also slow or halt the renewal process. The Commission makes every effort to contact licensees who submit incomplete/inaccurate renewal applications/fees but sometimes it is difficult to reach busy licensees.

LOST RENEWAL MATERIALS: Renewal applications are mailed to the firm of record for those licensees who hold an active real estate license and to the home address of record for those licensees who hold an inactive or retired license. In the event that you misplace the renewal application, please contact TREC for another one.

Renewal applications contain coded information that is scanned and pertinent to only one licensee. If you were to: (1) make a copy of another licensee's application; (2) erase or white out their name and license number; (3) replace their information with yours; and (4) send that application along with your check for the renewal fee, there is a good chance that fee will not be credited to your license but to the licensee for whom the original renewal application was printed.

EVEN ONE LICENSING REQUIREMENT NOT COMPLETED:

The Tennessee real estate law requires **all documentation** and fees required to renew a real estate license must be delivered to the Commission no later than 60 days prior to the expiration of the license. All licenses expire December 31, 2004, therefore, all documentation (renewal form, fees, education and proof of E&O Insurance) must be in the Commission's administrative office or postmarked (not metered) by November 1, 2004. While some affiliate brokers are not required to complete continuing education to renew their licenses (those originally licensed prior to July 1, 1980 have no continuing education requirements), the majority of current affiliate broker licensees must have completed the TREC CORE 03/04 course for 4 hours and 12 additional hours of education electives. The schools which provide the education must send education completion information directly to TREC. That education completion information is then added to each licensee's licensure file. When the renewal

application and fees are received the Commission's computer scans the licensee's file to determine if other required information has been received. If the computer can verify that required education has been completed, there is proof of E&O Insurance beyond January 1, 2005 and both the affiliate licensee's firm and principal broker have renewed their licenses, the computer automatically renews the affiliate broker's license and generates a new wall license which is printed and mailed to the affiliate broker. If any one of these requirements (education, E&O insurance, renewal of principal broker and/or firm) has not been met, the affiliate broker's license cannot be renewed. Post broker education for both brokers and principal brokers is not discussed in this article, since it is not directly associated with license renewal. However, a principal broker's license will not be renewed if s/he does not have E&O Insurance as described below. A firm license cannot be renewed unless the principal broker has renewed. A broker (who is not principal broker) cannot have his/her license renewed if s/he does not have E&O Insurance as described below or if the principal broker or firm where affiliated has not renewed.

ERRORS and OMISSIONS INSURANCE: If the renewing licensee uses the state contracted vendor's E&O Insurance, that policy must be renewed to cover 2005-2006 on or prior to November 1, 2004. That vendor will provide TREC renewed policy information which

Continued on Page 4, Column 3

DISCIPLINARY ACTION

JANUARY 2004

ARROWHEAD REALTY CORP.

**Lic. No. FM245795
Nashville, TN**

Principal Broker Lois Elliott agreed to pay a civil penalty of \$250.00 after a TREC inspection revealed failure to timely deposit earnest money.

JUDY SPILLER PROPERTY MANAGEMENT Unlicensed La Follette, TN

Judy Spiller agreed to pay a civil penalty of \$1,685.00 for engaging in vacation lodging activities requiring a license without being properly licensed to do so. Ms. Spiller has since applied for and been granted a Vacation Lodging Services license (No. 133).

CENTURY 21 PROPERTY PLACE Lic. No. FM235468 Covington, TN

Principal Broker Kaye Smith agreed to pay a civil penalty of \$500.00 after a TREC inspection revealed failure to document agency status in three of the five files reviewed.

PHILLIP B. POYNOR Lic. No. AF287238 Brentwood, TN

Mr. Poynor agreed to pay a civil penalty of \$250.00 for failing within a reasonable time to complete the administrative measures necessary in order to transfer his license.

MARSHA A. BARR Lic. No. AF284097 Maryville, TN

Ms. Barr agreed to pay a civil penalty of \$250.00 for failing within a reasonable time to complete the administrative measures necessary in order to transfer her license.

GERALD P. SAKURA Lic. No. BR278160 Nashville, TN

Mr. Sakura agreed to pay a civil penalty of \$250.00 for failing within a reasonable time to complete the administrative measures necessary in order to inactivate his license.

DEERFIELD RESORT RENTALS, LLC Unlicensed La Follette, TN

Georgia L. Sergent consented to pay a civil penalty of \$10,000.00 for engaging in vacation lodging activities requiring a license without being properly licensed to do so. Ms. Sergent has since applied for and been issued a Vacation Lodging Services license (No. 128).

FEBRUARY 2004

PROVIDENCE VENTURES, LLC Lic. No. FM256739 Goodlettsville, TN

Principal Broker Brock A. Rust agreed to pay a civil penalty of \$250.00 after a TREC inspection revealed failure to display signage

and failure to notify TREC of a change in business location.

PARKSIDE REALTY ADVISORS, INC. FM256449 Nashville, TN

Principal Broker Cason Dickinson agreed to pay a civil penalty of \$250.00 after a TREC inspection revealed failure to document agency disclosure in a real estate transaction.

CENTURY 21 HENDERSHOT REALTY Lic. No. FM244950 Madisonville, TN

Principal Broker Thomas K. Hendershot agreed to pay a civil penalty of \$250.00 after a TREC inspection revealed failure to document default to facilitator status.

PHYLLIS P. OWENS Lic. No. AF282328 Arlington, TN

Ms. Owens agreed to pay a civil penalty of \$250.00 for failure to timely complete the administrative measures necessary to transfer her license.

HUGH WHALEY REALTY Lic. No. FM246993 Jefferson City, TN

Principal Broker Hugh Whaley agreed to pay a civil penalty of \$250.00 after a TREC inspection revealed failure to display signage.

**ROCKY TOP REALTY,
INC.****Lic. No. FM257573****Jefferson City, TN**

Principal Broker Hugh Whaley agreed to pay a civil penalty of \$250.00 after a TREC inspection revealed failure to properly document agency disclosure in two real estate transactions which were reviewed.

**VALLEY REAL ESTATE
CO.****Lic. No. FM5031****Andersonville, TN**

Principal Broker Conley Sharp agreed to pay a civil penalty of \$750.00 after a TREC inspection revealed failure to timely notify TREC of a change in business location and failure to keep adequate records of earnest money deposits and disbursements.

**NASHVILLE REAL
ESTATE EXCHANGE****Lic. No. FM249761****Hermitage, TN**

Principal Broker Jeffrey Smith agreed to pay a civil penalty of \$500.00 after a TREC inspection revealed failure to timely deposit earnest money.

WILLIAM J. HIGDON**Lic. No. AF282661****Collierville, TN**

Mr. Higdon agreed to pay a civil penalty of \$250.00 for failure within a reasonable time to complete the administrative measures necessary in order to transfer his license.

**VOLUNTEER REALTY
CO.****Lic. No. FM244638****Selmer, TN**

Principal Broker Dennis Moore agreed to pay a civil penalty of \$500.00 after a TREC inspection revealed failure to identify himself as a real estate agent and failure to maintain accurate records of deposit and withdrawals of earnest money in the same transaction where Mr. Moore was a seller of property.

MARCH 2004**THE FRISBY COMPANY****Lic. No. FM228962****Memphis, TN**

Principal Broker Howard Frisby agreed to pay a civil penalty of \$250.00 after a TREC inspection revealed failure to timely notify TREC of a change in the business location.

STAR POINT RESORT**Unlicensed****Byrdstown, TN**

Nathan Copeland consented to pay a civil penalty of \$1,100.00 for engaging in vacation lodging activities requiring a license without being properly licensed to do so. Mr. Copeland has since applied for and been issued a Vacation Lodging Services license (No. 129).

**WADE HORTON
REALTY, INC.****Lic. No. 235591****Nashville, TN**

Principal Broker H. Wade Horton agreed to pay a civil penalty of \$250.00 after a TREC inspection revealed failure to maintain an escrow account.

Continued from Page 2

can be downloaded to the Commission's computer system and update licensees' files. The licensee who uses the TREC contract vendor completes the renewal form for that vendor, pays the renewal fee directly to that vendor and the vendor then directly provides TREC with the E&O update. However, if the licensee is covered by a different vendor – selects Alternative Coverage – the licensee must provide TREC with insurance renewal information on the TREC form "Alternative Equivalent E&O Insurance Coverage" which must be completed and signed by an authorized representative of the insuring company each time the policy is renewed. Because alternative policies do not have the same expiration date of the state contracted policy, each licensee with alternative coverage must monitor their expiration date and provide TREC with the renewal forms which will indicate continuous coverage.

As described earlier, the absence or inaccuracy of one requirement for license renewal can delay or halt the renewal process. While not all of the requirements can be monitored for completion at the TREC website, you can determine what education completion information TREC has received, the expiration date of the firm where affiliated and the expiration date of that firm's principal broker.

We hope this information assists you with the upcoming license renewal process. It is anticipated the license renewal applications will be mailed in early September 2004.

CORE COURSE 03/04 PROVIDERS (as of 03-04-04)

Ray Boudier School of Real Estate	901-362-3222
Career Institute	615-765-7470
Center for Continuing Education & Consulting	615-860-4357
Chattanooga Assn. REALTORS	423-698-8001
Clarksville Association of REALTORS	931-552-3567
Clarksville Real Estate Education School	931-245-1515
*D&D School of Real Estate	800-282-9375
Dyer Co. Assn. REALTORS	731-288-2700
Excel Real Estate School	423-626-5821
Gibson Co. Board of REALTORS	731-855-2888
Great Smoky Mountain Board REALTORS	685-453-1248
Greater Nashville Assn. REALTORS	615-254-7516
Knoxville Area Assn. REALTORS	865-584-8647
Memphis Area Assn. REALTORS	901-818-2421
Memphis West TN Prof. School	901-366-1536
Nashville School of Real Estate	615-329-1366
Northeast TN Association of REALTORS	423-323-3191
Performance Concepts, Inc.	901-276-3600
Professional School of Real Estate	800-609-1222
Reelfoot Regional Assn. REALTORS	731-885-8797
Regional Education Forum	615-771-6845
River Counties Assn. REALTORS	423-476-5912
Robertson County Assn. REALTORS	615-384-0816
Southern Middle Tennessee Board of REALTORS	931-381-5556
Success Real Estate School	901-360-0854
Tennessee Assn. REALTORS	800-252-6012
Tennessee Auctioneers Assn.	888-717-6699
Tennessee Valley Association REALTORS	731-642-6623
TRECS	865-693-4992
TREES	800-572-8733

***Schools preceded by "*" offer both classroom and distance learning TREC CORE 03/04 Courses.**

Frequently Asked Questions

The 2003 edition of the Official Manual of the Tennessee Real Estate Commission contains a list of frequently asked questions and their answers based on statutes, rules, fees and policies. Beginning with this edition of the News-Journal, some FAQs will be stated along with their answers. FAQs can also be viewed on TREC's website.

How can I obtain needed forms?

The TREC website is an excellent source of information and TREC forms are available by contacting the TREC office during regular business hours (8:00 AM to 4:30 PM Central Time). Many forms can be faxed or e-mailed to you. Listing, contract, association or federal forms are not available. Please see TREC contact information on Page 8.

A lawyer has contacted me and wants to make a referral and receive a referral fee from my firm. Can I pay him a referral fee?

A lawyer can only receive a referral fee or participate in the commission if he/she is properly licensed as a real estate broker or affiliate and the compensation is paid to him by the firm where he is affiliated.

I am an active licensee affiliated with a real estate firm. A friend of mine has a house for rent. My firm does not do rental management. I want to handle the property for my friend. Can I manage the property since I am licensed?

No, you can only engage in activities that require a license through the firm where you are affiliated. Rental management and leasing of real property are activities that require a license. You could only manage the property as an agent of the firm where you are affiliated. Your firm would manage property through a management agreement with the owner.

What information must appear in all advertising?

Rule 1260-2-.12 ADVERTISING, provides the minimum information that must appear in all advertising. The Firm Name and Firm Phone Number must appear in all advertising.

Attention Principal Brokers:

The TREC Audit Section has developed an information packet for new principal brokers. Licensees who have reviewed the packet determined there is information which established principal brokers might want to have available. If you are interested in obtaining a packet, please contact the TREC administrative office.

Candidates for Broker Licenses, Please Note:

Licensees who receive their initial broker license on or after January 1, 2005 will be required to complete Continuing Education after they have completed their 120 hours of Post Broker Education. Brokers licensed before that date have no education obligations after they have completed their required post broker education.

Please note the following examples for individuals receiving their broker license (1) before January 1, 2005 and (2) after January 1, 2005.

Date Initial Broker License Awarded	Deadline for Completion of Post Broker Education	Continuing Education Required
(1) September 2, 2004	September 2, 2007	None Needed
(2) January 12, 2005	January 12, 2008	Beginning in licensing period 2009-2010 to renew license for 2011-2012 and each following licensing period

Please note: Any "grandfather" status is relinquished if a license expires and the individual must retest and reapply for licensure or if the licensee changes the license from affiliate to broker or broker to affiliate.

TREC Seminar Schedule for May and June 2004

City	Date	Time	Place
Columbia	May 17	10:00 AM to Noon	304 River Road
Franklin	May 17	2:00 PM to 4:00 PM	840 Crescent Centre Dr., #120
Murfreesboro	May 18	10:00 AM to Noon	311 Butler Dr.
Cookeville	May 19	11:00 AM to 1:00 PM	970 S. Jefferson Ave. Holiday Inn
Chattanooga	May 20 May 21	1:00 PM to 3:00 PM 9:00 AM to 11:00 AM	3501 Amnicola Hwy.
Memphis	May 25 May 25	9:00 AM to 11:00 AM 1:00 PM to 3:00 PM	6393 Poplar
Martin	June 8	1:00 PM to 3:00 PM	Boling Center, UT Martin Wayne Fisher Drive
Jackson	June 9	10:00 AM to Noon	40 Old Hickory Cove
Nashville	June 10 June 10	9:00 AM to 11:00 AM 1:00 PM to 3:00 PM	4540 Trousdale Drive
Johnson City	June 16	10:00 AM to Noon	101 W. Springsbrook Dr. Holiday Inn
Knoxville	June 17 June 17	9:00 AM to 11:00 AM 1:00 PM to 3:00 PM	609 Weisgarber Road

Updated Commissioner Contact Information

Name	Phone	Fax	E-Mail
Frances Almany, Chairperson Almany Realtors, Inc. 273 W. Main St. Hendersonville, TN 37075	615-824-8100	615-824-8472	almanyf@realtracs.com
Ted Koehner, Vice Chairperson Tri-Cities Realty 1916 Euclid Avenue Bristol, VA 24201	276-466-9392	423-764-4639	tkoehner@chartertn.net
JoNelda W. Blalock 10824 West Land Dr. Knoxville, TN 37922	865-777-1508	865-777-3993	joneldab@aol.com
Bob Clement Bob Clement Consulting 2525 West End. Ave., Ste. 1100 Nashville, TN 37203	615-963-3443	615-329-9465	bclement@bobclement.com
Bobbi Gillis Faxon Gillis Homes, Inc. 825 Timber Creek Cordova, TN 38018	901-759-7000 Ext. 103	901-578-7721	bobbi@faxongillis.com
Adren S. Greene Coldwell Banker Realty House P O Box 1895 Morristown, TN 37816	423-581-9300	423-587-0444	adren@coldwellbanker.com
Charles Haynes Haynes Realtors 335 Nashville Pike Gallatin, TN 37066	615-452-7500	615-230-8781	haynesm@realtracs.com
Isaac W. Northern, Jr. Northern, Inc. 62 Union Ave. Memphis, TN 38103	901-526-7155	901-526-7171	iwn@northerninc.net
Betty L. Smith East Memphis Realty 4941 William Arnold Rd. Memphis, TN 38117	901-761-3500	901-682-9884	bsmith@bettylsmith.com

Tennessee Real Estate Commission

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Education Director

*The deadline for paying the
renewal fee, completing
continuing education and
obtaining E&O Insurance is
11-1-04 . All Tennessee Real
Estate Commission Licenses
Expire December 31, 2004.
License Renewal Applications
will be mailed this fall to the
TREC mailing address of
record. Please make sure your
mailing address is current
with the Commission.*

"The Tennessee Department of Commerce
and Insurance is committed to principles of
equal opportunity, equal access, and
affirmative action." Contract the EEO
Coordinator or ADA Coordinator
(615) 741-1328, for TDD 615-741-6276



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TREC Contact Information:

Phone: (615) 741-2273 or 1-800-342-4031
web: state.tn.us/commerce/boards/trec
E-Mail: trec.info@state.tn.us
Fax: 615-741-0313

Personnel & Areas of Responsibility

Licensing Section:

Belinda Campbell
Hester Curtis
Betty Demonbreum
Gil Dyer
Rachel Fowler
Darlene Hendrix
Conell House
Karen Patton
Donna Swanson

Support Section:

Bill Capps
Paula VanBuren
Linda Wolfert

Complaint Section:

Ruth Doak
Sue Kerley

Administrative Section:

Judy Elmore
Bruce Lynn
Sharon Peebles
Marsha Willis-McCarthy

Education Section:

Betsy Bowman
Kathy Riggs

**Errors & Omissions Insurance
Contractor for 2003 - 2004:**

Rice Insurance Services Company, LLC
Phone: 1-888-248-2444